



COMPETITION WATCH



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News Flash!!!

As announced in the last **COMPETITION WATCH**, the Commonwealth Competition Council has relocated its offices. We are now located at 1501 East Franklin Street, Richmond 23219-3617. Telephone and email addresses are unchanged. Special thanks and appreciation to Bruce Brooks and all the employees at the Bureau of Facilities Management for their great work in helping us move. James C. "J.C." Jeter was exceptional in his overall coordination of our project. The relocation was successful due to the outstanding efforts of:

Carpentry Team	Stuart L. LaPlace Ralph R. "Randy" Feeman James W. Luginbuhl James K. Larsen Van D. York	Electrical Team	R. Todd Peele Christopher A. "Chris" Daniels Robert P. "Bob" Jewell L. D. "Wayne" Stamper
		Locksmith	Lawrence D. "Danny" Duke, III
Painting Team	Shelton H. Williams, Jr. Benson R. "Ray" Lamm Steve A. Lynch Bruce F. Bondurant	Housekeeping Team	Virginia B. Mayfield Charles E. Smith Evans C. "Charles" Swinson Bertha A. Jackson Ronald J. Jones
Planning and Technical Services Team	Janet E. Kane William C. "Curt" Adkins	Heating, Ventilation and Air Conditioning Team	Mitchell C. "Red" Shelton

Thanks to the staff of Jan B. Fatouros, DGS Information Systems Director, for their outstanding efforts in communications and networking logistics. The efforts of Henry U. Coalter, III, Timothy R. Deely, and Grayson E. "Gene" Fox were outstanding.

The professionalism of these Department of General Services employees sets a standard for all state employees. Thank you!

Snail mail is out, <http://www.egovcompetition.com> is in. The FY 2002 version of the "COMPETE" operating manual is on the Competition Council web portal. Registered agency users may obtain an undated copy of the "COMPETE" program by contacting Peggy Robertson at probertson@ccc.state.va.us.

Competition Council Explores Greater Outreach to Municipalities

Virginia is vibrant with activities devoted to applying commercial practices. One has only to review the survey on our web page to realize the potential we have to benchmark the best practices within our own state. Every county, city and town has developed partnering, outsourcing and contracting methods complementing those at state level. Each such method can be enhanced by applying the advancements, which others have made.

Council benchmarking efforts will be enhanced with the recent arrival of our new Outreach Coordinator, Dr. Marshall Bailey. On loan from the U.S. Department of Defense, Dr. Bailey is on a 15-month assignment. In addition to his doctorate in Public Policy, he has graduate degrees in public administration, business administration and national security management. Up until now, he has worked for the Defense Logistics Agency (DLA), which has been on the forefront in adapting commercial practices to logistics. These include use of fee-for-service business practices; prime vendor contracts for direct delivery and use of reverse logistics techniques to recycle surpluses.

Dr. Bailey is well suited for the position of Outreach Coordinator. While a member of the Senior Executive Service in DLA he oversaw all supply chain functions such as contracting, quality assurance, engineering and item management. Recently he served as the senior civilian responsible for the \$5 billion defense energy business. While there, he oversaw implementation of programs to competitively procure electricity and to privatize defense power plants.

Just prior to coming to us, Dr. Bailey wore two hats at once. He was Director of the Document Automation and Production Service (DAPS) and Director of DLA Support Services (DSS). In DAPS, Dr. Bailey programmed the competitive outsourcing of all its 240 domestic production sites. DAPS's statement of work is now "on the street" for bids. His DSS job covered many staff functions which enabled him to head the development of a corporate marketing program; a 'green' attribute catalog for commercial products; and, a balanced scorecard to measure customer support levels for all the Agency's \$20 billion business.

The Outreach Coordinator's activities will embrace many groups. He will initially contact the Virginia Association of Counties and the Virginia Municipal League to explore ways to cross-benchmark commercial activities. Then, he plans to work indepth with several counties and cities starting with a four-month stint with Fauquier County. We can expect much activity and information from this venture over the coming months.

Prepass—Public/Private Partnership

Virginia recently became the 21st state to sign on to the PrePassweigh station bypass service, which allows trucks to be weighed at highway speeds and have their state-required credentials checked electronically without stopping at inspection facilities. Under the state's agreement with the Heavy Vehicle Electronic License Plate, Inc. (HELP), a Phoenix-based public private partnership that offers the PrePass-, " service, all of Louisiana's weigh stations on interstate highways will be equipped with this weigh-in-motion and automatic vehicle identification technology. By late spring, PrePassTI is scheduled to be operational in Louisiana and at two sites in Virginia.

The addition of Virginia will make PrePass™ available from coast-to-coast on two major national corridors from Virginia to California, and from Florida to California. Launched in California in 1995, "PrePass" is operational at 150 sites, with more than 172,000 trucks enrolled in the program. In addition to California, Louisiana and Virginia, other participating states are: Alabama, Arizona, Arkansas, Colorado, Florida, Illinois, Indiana, Iowa, Montana, Mississippi, Nebraska, Nevada, New Mexico, Ohio, Oklahoma, Tennessee, West Virginia and Wyoming.

International City/County Management Association e-Government Outsourcing Survey

A recent study sponsored by the International City/County Management Association (ICMA) and Public Technology Inc. gives local officials a revealing glimpse of where government web sites are today and provides a hopeful image of things to come. According to responses from 1,881 municipalities and counties, more than 83 percent have a web site in place.

However, relatively few offer financial transactions through their web sites, such as paying tickets (4.4 percent), taxes (9.2 percent) or utility bills (3.4 percent). An even smaller number provide non-financial services, such as pothole repair and government records' requests, program registration or interactive maps.

While the Electronic Government Survey 2000 reveals how few local governments participate in the world of e-government on an extensive level, it previews the master plan on the horizon. Most local governments were aware of the importance of overcoming the obstacle of hiring technical staff, and either has hired a web manager/administrator or have combined the responsibilities into other positions. As for closing the digital divide, local governments are working to provide public access terminals in city and county facilities, working with local schools to provide access, and provide technical support and/or information technology training to citizens.

Although a substantial amount of local governments do not currently contract for services with an e-government vendor, **many respondents either outsource or plan to outsource certain web-related functions within the next year.** Considering most governments did not have a web site three years ago, the survey eludes to an exciting year of advancement.

ICMA Survey Findings

	Currently Offered	Plans to Offer	Total Reporting	Currently Outsourcing	Plans Outsource	Total Rpt.
Tickets/fines	4.4%	95.6%	585	7.40%	92.60%	95
Taxes	9.2%	90.8%	446	25.60%	74.40%	90
Utility bills	5.7%	94.3%	615	13.20%	86.80%	91
Licenses/permit fees	3.4%	96.6%	797	4.70%	95.30%	106
Voter registration	13.8%	86.2%	225	59.30%	40.70%	27
Property registration	4.3%	95.7%	347	27.80%	72.20%	18
Business license application/renewal	7.8%	92.2%	666	11.60%	88.40%	43
Permit application /renewal	9.3%	90.7%	824	12.10%	87.90%	58
Registration for programs/services	15.7%	84.3%	752	4.00%	96.00%	50
Request for services	34.7%	65.3%	819	12.10%	87.90%	33
Request local government records	32.2%	67.8 %	727	12.10%	87.90%	33
Interactive maps	25.3%	74.5%	696	23.70%	76.30%	38
Employment application	80.0%	20.0%	15	0.00%	100.00%	1

Innovative Private-sector Partnership Create New Concept of Public Schools

As communities across Virginia and the nation scramble to combat school overcrowding, a growing number of districts are turning to an unlikely source of new space---private commercial enterprises. In a new report, the Reason Public Policy Institute (RPPI) explores the emerging trend of districts siting public schools on private commercial facilities and serving the children of employees that work there. According to Lisa Snell, author of *Innovative School Facility Partnerships: Downtown, Airport and Retail Space*, more than 45 of these schools already operate throughout the United States, hosted by airports, downtown business districts, and large private employers.

Worksite, or satellite schools, offer benefits beyond just crating additional school capacity. Snell notes that the innovative partnerships benefit children through increased parental involvement, more personalized attention, and broad “real world” business exposure that they are unlikely to receive at a traditional school. As the host company pays the costs of the school construction and maintenance, taxpayers benefit from the arrangement as well.

Businesses participating in the program benefit too, reporting lower staff turnover and higher employee satisfaction. In fact, Snell points out that some participating businesses have reported higher employee satisfaction. Snell further points out that some participating businesses have reported that the on-site school is the single most important reason why employees seek jobs with them.

“From the working parent’s perspective, worksite schools offer the best of both worlds. Not only do their children receive top-notch, specialized attention, but on-site schools offer parents more time with their children in the classroom,” states Snell.

While the trend continues to grow, the report identifies several barriers that hinder the new school concept, including restrictive building codes that make renovation of commercial space cost prohibitive and “equal access” laws that prohibit host businesses from targeting enrollment to children of employees. Snell acknowledges, however, that a lack of awareness is the biggest barrier to the worksite school.

Top managers not the source of government innovation, report finds

Middle managers and frontline staff produce most of the government’s innovative ideas, according to a study released in February by the PricewaterhouseCoopers Endowment for the Business of Government.

Nearly 50 percent of the innovative ideas initiated in the government come from middle managers or frontline staff, according to University of Toronto professor Sandford Borins, author of the report, "[The Challenge of Innovating in Government](#)." Borins surveyed more than 300 government employees from around the world who had been honored for innovations. Those surveyed included recipients of awards from the Innovations in American Government program sponsored by the Ford Foundation and the Kennedy School of Government, and the international innovations awards program sponsored by the Commonwealth Association for Public Administration and Management.

The belief that innovative ideas trickle down from the top is a myth, Borins said. More ideas come from middle and lower management ranks because that level of government is usually filled with younger, more diverse employees, he added. "The problem is that elected officials and political appointees often lack sufficiently detailed knowledge of their area of responsibility to innovate," Borins said.

Lower and middle managers are also more involved in the day-to-day operations of an agency or department, making them more aware of areas that need innovation. Younger people are also more comfortable with information technology, Borins said, an area where much of the government's innovation has occurred in the past few years.

The report notes that creative thinking within the government is discouraged and constrained by stringent control measures and a lack of incentive programs. The consequences for making mistakes carry more weight for government workers than they do for employees in the private sector, further stunting the development of new ideas. "Innovations developed by public sector servants in the employ of government are generally government property... There is no shared ownership, and public servants are paid a fixed salary," Borins said. "In other words, the reward for successful innovations in the public sector is meager."

To encourage more creative thinking in the workplace, top officials need to establish recognition programs within the organization and allow employees to experiment, the report said. Agency heads should also increase financial incentives, provide more resources for implementing innovative ideas, and look for good ideas in the private sector that could be used in-house. Most importantly, innovation should come from all levels of government, Borins said.

"Innovators who succeed despite an organizational culture that is either indifferent or hostile create the possibility of a cultural transformation," the report said.

NOTE: Government innovators will find resources on the Commonwealth Competition Council web site at <http://www.egovcompetition.com> to assist them in their quest for continuous improvement. This includes information concerning the Council's innovative "COMPETE" program to develop the full cost of a government program as well as determine unit costs to use in benchmarking and reengineering initiatives.

Virginia Department of Taxation Wins 2001 Management and Organizational Initiative Award

The Virginia Department of Taxation has received the Federation of Tax Administrators (FTA) 2001 Management and Organizational Initiative Award. The award specifically recognizes the innovative public/private partnership between the Department of Taxation (TAX) and American Management Systems, Inc.

"The partnership between TAX and AMS demonstrates Virginia's position as a leader in providing innovative public services," Governor Gilmore said recently. "The services developed under this public/private partnership spotlight Virginia and the Department of Taxation as leaders at the forefront of *e*-government services."

The Partnership Project began in July 1998 as an innovative way to develop improved services for citizens through the use of new technologies. Through the Partnership, Virginians now have access to some of the most innovative government service solutions in the nation.

The Commonwealth Competition Council web portal provides 24-hour support, 7 days a week, to individuals interested in entrepreneurial government and continuous improvement in their organizations. An *e*-Gov entrepreneur's toolkit is available to answer your questions and to provide assistance. <http://www.egovcompetition.com>